

**Blue Ribbon Commission on Transportation
Administration Committee**

Final Meeting Summary
Approved March 24, 2000

February 11, 2000

Present: Doug Hurley, Chair, Peter Bennett, Vice Chair, Greg Devereux, Bob Dilger, Connie Niva, Ken Smith, Randy Scott, John Rindlaub (Commission Chair)

Absent: Representative Ruth Fisher, Senator Jim Horn, Tomio Moriguchi, Judie Stanton

Speakers: Phil Bussey (Washington Roundtable), Jim Hamilton (Federal Way Fire Department / Federal Way Chamber of Commerce), Rob McKenna (King County Councilmember), John Musgrave (West Seattle Chamber of Commerce Transportation Committee), Eugene Wasserman (Seattle Neighborhood Business Council / TransLake Washington Study Committee)

Others in Attendance: Kim Becklund (City of Bellevue), Rhonda Brooks (Washington State Department of Transportation), Aubrey Davis (Washington Transportation Commission), Steve Excell (Washington Roundtable), Doug Hodson (King County Department of Transportation), Jack Locke (City of Auburn), Mary McCumber (Puget Sound Regional Council), Chris Mudgett (County Road Administration Board), Bruce Nurse (Kemper Development Company), Tracy Ownbey (Community Transit), Doug Pullen (Kemper Development Company), Chris Rose (Washington State Transportation Commission), Dan Rude (Transportation Improvement Board), Jim Seitz (Association of Washington Cities), Charlie Shell (City of Seattle), Gretchen White (Washington State Department of Transportation)

The Committee Chair called the meeting to order at 9:05 a.m. The Committee approved the summary of the January 12th meeting as drafted.

The Chair reported that Doug Beighle, on behalf of the Blue Ribbon Commission, communicated to the Legislature and the Governor that interim actions should be taken in certain transportation areas during the current legislative session. The Chair also noted that Senator Jim Horn has replaced Senator Dino Rossi on the Administration Committee.

Reminding the Committee that developing options is the focus through May, the Chair explained that the February meeting would focus primarily on governance issues.

Options for Governance Structures

Patricia Boies, Committee staff, reviewed the criteria the Committee has established for evaluating governance options: achieve accountability; provide for a system-wide perspective; allow for innovation and change to meet future needs; inspire public support and confidence; enable comparison among all modes of transportation; and align authority and responsibility to plan, fund, and implement transportation services. These criteria are similar to those that the Washington Roundtable advises in its report on governing transportation.

In her overview of state and regional governance structures, Patricia Boies noted that on the state level, the responsibilities of the Washington State Department of Transportation and the Washington State Transportation Commission could stay the same or be changed in some respects. For example, the Commission, which now sets policy, proposes legislation and prepares the Washington Transportation Plan, could play an advisory role only, as is the case in 10 states. Or its responsibility could be to focus on accountability of all transportation entities statewide – reporting on transportation budgets and expenditures, setting and tracking performance benchmarks and efficiency standards, and certifying compliance to quality for funds.

The Governor, instead of the Commission, could appoint the Secretary of Transportation directly, as is done in 42 states. WSDOT could keep its current responsibility over state-owned facilities and level-of-service standards for other modes. Arterials of regional significance could be added to WSDOT's responsibility, as has been proposed in Michigan. Ferry responsibility could be removed. WSDOT could keep responsibility for highways that have been declared by the Commission to be of statewide significance, with responsibility for other roads going to counties or to regions. Another option would be for WSDOT to maintain responsibility solely for I-5, I-90, 405, 395, and 205, with responsibility for all other roads devolving to the counties or to regions.

On the regional level, to fulfill the principle of aligning authority for planning, funding, and implementing transportation services, existing regional entities could be given greater powers over funding and implementation of projects within their regions. Federal and state funds would flow to the regional entity along with any new responsibilities for corridors and arterials, plus new local option funding. This is similar to the California model. Transit could be integrated into the regional entity, as is done in Vancouver, B.C. The regional entities thus empowered could be the counties, metropolitan planning organizations (MPOs), or regional transportation planning organizations (RTPOs). Additional possibilities in the Puget Sound region include Sound Transit and the Growth Management Planning Council of King County.

Another option would be to create a new regional entity to fulfill the regional transportation responsibilities. The boundaries of the new entity, and whether it is directly elected or appointed, would have to be determined.

Phil Bussey of the Washington Roundtable described his organization's study of transportation systems around the country to see if a better statewide model exists. Two-thirds of the states have a transportation model similar to ours; in 18 states the Governor has direct authority over the Department of Transportation. But the Roundtable found no correlation between the type of state model and the performance of the transportation system, and the report concluded there is no point in investing time and effort in changing a state structure without a guarantee that any improved performance would result. Performance and accountability measures did influence governance structures in a positive way and should be present at all levels of government. As in K-12 education, desired performance outcomes must be established. The focus should be on producing results, as opposed to a wholesale change in government structure.

This does not mean that the existing system cannot be improved, particularly on the regional level. The Roundtable found there were too many entities, allowing in some cases priority projects to be halted. Too many funding pots and restrictions limit flexibility and the ability to prioritize. Establishment of regional congestion districts for congested urban areas was recommended, with regional funding for highways and arterials within the district.

Rob McKenna, King County Councilmember, presented the King County Transportation Coalition's strategic thinking on developing ways to close the transportation infrastructure gap. The King County Transportation Coalition is an ad hoc organization representing chambers of commerce and local governments on transportation funding issues, including prioritizing transportation projects for submission to the Legislature. Since the passage of Initiative 695, the Coalition has been trying to salvage the list of projects slated for funding as a result of the earlier passage of Referendum 49.

To reduce congestion and replace major existing facilities would require an additional \$2 billion per year for the next 20 years. Assuming that Pierce, King, and Snohomish counties generate \$15 million in revenue for each penny of gas tax and get back from the state about 73 cents of every dollar they generate, it would take a statewide gas tax increase of at least 90 cents per gallon to return another \$1 billion per year to those counties. Even if they got back 100 percent of the gas tax revenues, a 67 cent gas tax increase would be required to generate another \$1 billion. Gas tax increases cannot be relied upon as the major transportation funding solution for the region. The region will have to come up with local funding to keep up with transportation infrastructure needs, as is being done in high-capacity transit through Sound Transit.

To persuade voters to approve more local funding will require (1) local control of those new revenues, (2) a clear investment plan that the voters believe will reduce congestion, and (3) public

confidence in the regional authority that exercises local control and implements the plan. Before considering funding sources, the Coalition is developing an investment plan.

Three additional members of the Coalition addressed the Committee. John Musgrave, a business consultant and co-chair of the West Seattle Chamber of Commerce Transportation Committee, spoke about equity, accountability, and continuity. He said that we should not continue to export most of the dollars we generate. We have planning groups without funds, and funding groups without plans. The governance structure does not make any difference. If a regional government is responsible, there must be a mechanism for holding it accountable.

Jim Hamilton, Federal Way Fire Department Administrator and board member of the Federal Way Chamber of Commerce, said that most job growth comes from small businesses, many of which are service- or trade-oriented, for whom transportation is a key. Rush hour is not the only problem. In Federal Way, it is harder to get around on Saturday and Sunday, which hurts small businesses.

Eugene Wasserman, executive director of the Neighborhood Business Council in Seattle and member of the TransLake Washington Study Committee, pointed out that Seattle's older roads and bridges are not just local roads, but major freight corridors. Maintenance of major arterials is essential, but there are so many major corridors that you cannot do a study for one without looking at others. This means there is a succession of separately funded corridor studies, of which TransLake is just one, without a structure to deal with all routes together. Small business does not want to pour money into ad hoc studies. Business is willing to tax itself, but not if the dollars go elsewhere, beyond local control.

The Committee discussed the extent to which the Puget Sound region sends money out of the area to help make the rest of the state work. There was agreement on the need to sustain a statewide system and the reality that Puget Sound will always be a net exporter of revenues. But urban area needs surpass existing revenue. The gas tax will not suffice, nor will any other single source of revenue. Sound Transit was cited as a good example of local control over local dollars resulting in a manageable list of priorities, not just a wish list. Referendum 49 might have resulted in a good model that produced results, but Initiative 695 has changed the situation.

Committee members supported an approach that would continue to export existing revenues to some degree, but provide for new funding generated locally to stay within the region. The Chair cited a study showing that as income rises, the willingness to invest rises; so, the more populated and higher income-producing areas, which are also the most congested, may be more willing to invest more.

Efficiencies Options

Patricia Boies outlined project delivery and operation and maintenance efficiency options that the Committee has been considering. These include streamlining project delivery through enhanced team planning and work schedule acceleration; providing greater authorization for all transportation agencies to use design-build contracting; adjusting the public-private initiative legislation to encourage more initiatives; authorizing jurisdictions to share resources; better data gathering and cost allocation analysis at all levels to allow comparisons and judge performance against standards; managed competition options for highway maintenance; and setting efficiency standards or requiring reduction in administrative staff.

Committee members expressed some concern about managing the process through efficiency standards such as capping administration costs at 10 percent, which the Washington Roundtable recommends in its report. The goal is to measure output and performance, not to tell the transportation agencies how to do it, any more than companies in the private sector tell their vendors how to manage themselves. On the other hand, we do need to get public permission to raise additional revenue, which will require some means of increasing public confidence in how the money is spent administratively.

Public Comments

During the public comment period, Chris Mudgett of County Road Administration Board noted that WSDOT's ferry system is not the only one in the state. Four counties operate their own ferry system, and there might be consolidation opportunities there.

Next Meeting

The next Committee meeting has been rescheduled for **Friday, March 24, 2000, 9:00 a.m.–12:00 p.m.**, in the O'Hare Room at SeaTac Holiday Inn.

The meeting was adjourned at 12:00 p.m.